

Title of Exposure Draft: Proposed revision of ASOP No. 41 – Actuarial Communications (second exposure draft)

Comment Deadline: March 15, 2025

Instructions: Please review the exposure draft, and give the ASB the benefit of your recommendations by completing this comment template. Please fill out the tables within the section below, adding rows as necessary. Sample for completing the template provided at the following link: <http://www.actuarialstandardsboard.org/email/2020/ASB-Comment-Template-Sample.docx>

Each completed comment template received by the comment deadline will receive consideration by the drafting committee and the ASB. The ASB accepts comments by email. Please send to comments@actuary.org and include the phrase 'ASB COMMENTS' in the subject line. Please note: Any email not containing this exact phrase in the subject line will be deleted by our system's spam filter.

The ASB posts all signed comments received to its website to encourage transparency and dialogue. Comments received after the deadline may not be considered. Anonymous comments will not be considered by the ASB nor posted to the website. Comments will be posted in the order that they are received. The ASB disclaims any responsibility for the content of the comments, which are solely the responsibility of those who submit them.

I. Identification:

Mercer

II. ASB Questions (If Any). Responses to any transmittal memorandum questions should be entered below.

Question No.	Commentator Response
1	We believe the standard is clear as to when an actuary should issue an actuarial report, and that no further guidance is needed
2	We believe the standard is clear as to which guidance applies for all actuarial communications and which guidance is required only for actuarial reports

III. Specific Recommendations:

Section # (e.g. 3.2.a)	Commentator Recommendation (Please provide recommended wording for any suggested changes)	Commentator Rationale (Support for the recommendation)
2.1	<u>Actuarial Communication</u> —A written, electronic, or oral communication issued by an actuary with respect to actuarial services. An electronic communication is a written or oral communication issued by means of a computer or other electronic device.	We don't believe the second sentence in this paragraph adds any substantive value to this section, as it effectively defines an electronic communication as a communication sent electronically. This is self-evident. If the ASB is trying to make a more subtle point as to what might be included or excluded in the definition (e.g., a text message), additional clarity would help. Otherwise, this sentence could be deleted with no loss of clarity to the paragraph. We note that the ASB is clearly comfortable not defining "written communication," and removed the definition of oral communication that is present in the current standard.
3.6	Actuarial Report—When issuing an actuarial communication that includes actuarial conclusions, the actuary should issue an actuarial report or confirm that an actuarial report has been or will be issued. <u>Unless otherwise disclosed, the actuary or actuaries issuing the actuarial report will be assumed</u>	We have no specific suggestion on this section but applaud the ASB for adding the highlighted sentence, which explicitly permits an actuary issuing a report to disclose responsibility for certain conclusions, material assumptions, and methods.

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	to have taken responsibility for all actuarial conclusions, material assumptions, and methods.	
4.1.k and 4.1.l	<p>k. the disclosures required in ASOP No. 23, Data Quality, when relying on another party and thereby disclaiming responsibility for data or other information related to data;</p> <p>l. the disclosures required in ASOP No. 56, Modeling, when relying on another party and thereby disclaiming responsibility for models</p>	Proposed section 4.1.p requires the actuary to make all disclosures required in other ASOPs that apply to the actuary's assignments. This general requirement would cover all required disclosures in all other applicable ASOPs. Therefore, there is no need to specifically call out the disclosures required in ASOPs No. 23 and 56. We believe identifying these two ASOPs specifically implies they are subject to special circumstances that aren't applicable to other ASOPs. We believe it would be more appropriate to cite these as examples under 4.1.p, rather than as separate items under 4.1
4.1.n.4	the extent to which <u>whether</u> the actuary has reviewed the assumption or method for reasonableness and consistency with the scope of the actuary's assignment; and	We are unclear as to what type of disclosure is being requested by the phrase "the extent to which the actuary has reviewed the assumption or method." It appears to be asking for a qualitative assessment of the depth of the actuary's review (e.g., "I reviewed the assumption thoroughly" vs. "I looked at it only for reasonableness" or something in between). We suggest the actuary simply disclose whether or not they have reviewed the assumption or method.
4.1.n.5.i	a statement that the actuary has reviewed the assumption or method and finds that it is the <u>assumption or method is</u> reasonable and consistent with the scope of the actuary's assignment;	Consistent with our previous suggestion, we recommend that the requirement to disclose whether the actuary has reviewed an assumption or method be included in 4.1.n.4, not in 4.1.n.5.i (which as written applies only to assumptions the actuary judges to be reasonable). We note that the alternative permitted statements in 5.ii. and 5.iii. would also require that the actuary have reviewed the assumption, so this change would result in consistency among 5.i., 5.ii., 5.iii.

IV. General Recommendations (If Any):

Commentator Recommendation (Identify relevant sections when possible)	Commentator Rationale (Support for the recommendation)

V. Signature:

Commentator Signature	Date
Bruce A. Cadenhead, FSA, EA, MAAA	3/14/2025